EXHIBIT 11

(SETTLEMENT AGREEMENT; AND ORDER)

SETTLEMENT AGREEMENT

This Settlement Agreement (Agreement) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the General Services Administration (GSA), the Defense Logistics Agency (DLA) and the Department of the Army (Army) (collectively the "United States"), and Hewlett-Packard Company (HP) (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. HP is primarily a manufacturer of technology equipment headquartered in Palo Alto, CA. During the period January 1, 2002 through December 31, 2009, HP had a contract with GSA, Contract number GS-35F-0066N through which HP sold computer equipment and software and related services to federal agencies. HP also sold computer equipment to government agencies indirectly through resellers, dealers and systems integrators.

B. On September 17, 2004, Norman Rille and Neal Roberts, Relators, filed a *qui tam* action in the United States District Court for the Eastern District of Arkansas captioned *United States ex rel. Rille v. Hewlett-Packard Co.*., Case no. 4-04CV00989, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the Civil Action). The qui tam alleged that HP had relationships with business partners such as resellers, dealers and systems integrators to which it paid kickbacks in return for these partners influencing federal agencies to buy HP product, in violation of the Anti-kickback Act, 41 U.S.C. §§ 51-58. The United States intervened in the Civil Action on April 12, 2007 and filed the United States' Complaint on April 12, 2007. The case was stayed on September 26, 2007 to allow the parties an opportunity to discuss settlement.

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GOVERNMENT EXHIBIT
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C. On February 28, 2007, HP notified the GSA contracting officer that it had hired outside consultants to review its compliance with certain contract requirements, including the price reduction clause of its GSA contracts. In August of 2008, HP notified the GSA contracting officer that it had not complied with certain portions of the price reduction clause of GSA contract number GS-35F-0066N as it applied to some products and services. Thereafter, the GSA Office of Inspector General (OIG) audited the contract and found that, in addition to violations of the price reduction clause and certain overcharges, HP had not fully informed GSA contracting officials of certain commercial agreements with customers comparable to GSA, *i.e.* Volume End User (VEU) agreements, during contract negotiations. As a result, the GSA OIG alleged that the contract was defectively priced.

D. The United States contends that it has certain civil claims against HP for engaging in the following conduct, hereinafter referred to as the "Covered Conduct:" During the period January 1, 2002 through December 31, 2009, (1) HP made payments to systems integrators and other business partners to influence the purchase of HP product by federal agencies in violation of the Anti-Kickback Act, 41 U.S.C. §§ 51-58 (hereinafter referred to as the "Civil Action Claims"); and (2) HP (a) knowingly failed to provide current, accurate and complete commercial pricing information to GSA during the negotiation of Contract number GS-35F-0066N (the GSA contract) and/or during the negotiations of contract modifications to, or extensions of, the GSA contract; (b) knowingly failed to pass on price reductions to customers buying through the GSA contract; and (c) failed to offer the minimum GSA contract discount for sales to GSA customers (hereinafter referred to as the "GSA Claims").

E. This Settlement Agreement is neither an admission of liability by HP nor a concession by the United States that its claims are not well-founded. HP expressly denies the allegations that it has engaged in any wrongful conduct in connection with the Covered Conduct or that it is liable under the False Claims Act, 31, U.S.C. §§ 3729-33, the Anti-Kickback Act, 41 U.S.C. § 51 et seq., or any other civil, administrative or criminal cause of action with regard to such contentions or allegations. Neither this Settlement Agreement, its execution, nor the performance of any obligation under it, including any payment, is intended to be, or shall be understood as, an admission of liability or wrongdoing, or other expression reflecting upon the merits of the dispute by HP.

F. Relators claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of the Civil Action and to Relators' reasonable expenses, attorneys' fees and costs. These issues are not resolved by this agreement.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. HP shall pay to the United States $9 million to resolve the Civil Action Claims and $46 million to resolve the GSA Claims (Settlement Amount) by electronic funds transfer pursuant to written instructions to be provided by the Office of the United States Attorney for the District of Arkansas no later than 10 days after the Effective Date of this Agreement.

2. Subject to the exceptions in Paragraph 3 (concerning excluded claims) below, and conditioned upon HP's full payment of the Settlement Amount, the United States releases HP, together with its current and former parent corporations, each of its direct and indirect

subsidiaries, both current and former corporations, divisions, and the predecessors, successors and assigns of any of them from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; Contract Disputes Act, 41 U.S.C. § 601 et seq.; the Anti-kickback Act, 41 U.S.C. §§ 51-58; and common law theories of breach of contract, payment by mistake, unjust enrichment, and fraud.

3. Notwithstanding the releases given in paragraph 2 of this Agreement, or any other term of this Agreement, the following claims of the United States are specifically reserved and are not released:

a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);

b. Any criminal liability;

c. Except as explicitly stated in this Agreement, any administrative liability, including the suspension and debarment rights of any federal agency;

d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;

e. Any liability based upon obligations created by this Agreement;

f. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;

g. Any liability for failure to deliver goods or services due;

h. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct; and

i. Any liability of individuals.

4. HP waives and shall not assert any defenses HP may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action. Nothing in this paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

5. HP fully and finally releases the United States, and its agencies, employees, servants, and agents from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that HP has asserted, could have asserted, or may assert in the future against the United States, and its agencies, employees, servants, and agents, related to the Covered Conduct and the United States' investigation and prosecution thereof.

6. a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47) incurred by or on behalf of HP, and its present or former officers, directors, employees, shareholders, and agents in connection with:

(1) the matters covered by this Agreement;

(2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;

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(3) HP's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorney's fees);

(4) the negotiation and performance of this Agreement;

(5) the payment HP makes to the United States pursuant to this Agreement and any payments that HP may make to Relator, including costs and attorneys fees,

are unallowable costs for government contracting purposes (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs will be separately determined and accounted for by HP, and HP shall not charge such Unallowable Costs directly or indirectly to any contract with the United States.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Agreement, HP shall identify and repay by adjustment to future claims for payment or otherwise any Unallowable Costs included in payments previously sought by HP or any of its subsidiaries or affiliates from the United States. The United States, including the Department of Justice and/or the affected agencies, reserves its rights to audit, examine, or re-examine HP's books and records and to disagree with any calculations submitted by HP or any of its subsidiaries or affiliates regarding any Unallowable

Costs included in payments previously sought by HP, or the effect of any such Unallowable Costs on the amount of such payments.

7. Upon receipt of the payment described in Paragraph 1, above, the Parties shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal with prejudice of the Civil Action pursuant to Rule 41(a)(1) in the form attached as Exhibit 1. The stipulation shall reserve the issues of the entitlement, if any, by the relators to a share of the settlement of the Civil Action under 31 U.S.C. § 3730(d)(1) or to attorneys fees and costs pursuant to 31 U.S.C. § 3730(d).

8. The parties agree that, if the United States District Court for the Eastern District of Arkansas fails to enter the Order dismissing Civil Action No. 4:04CV00989WRW (E.D. Ark.), this Agreement shall be null and void, and the United States, within 5 business days of written demand from HP to the Department of Justice or U.S. Attorney for the E.D. Arkansas, shall repay to HP by electronic funds transfer, according to written instructions accompanying the demand, all sums paid to the United States pursuant to paragraph 1 above.

9. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement, except as set forth in Paragraph 7 above.

10. Each party and signatory to this Agreement represents that it freely and voluntarily enters in to this Agreement without any degree of duress or compulsion.

11. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District

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Court for the District of Arkansas. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

12. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

13. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

14. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

15. This Agreement is binding on HP's successors, transferees, heirs, and assigns.

16. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

17. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 8/30/10 BY: ______________________

Patricia R. Davis
Assistant Director
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 8/30/10 BY: ______________________

Shannon Smith
Assistant United States Attorney
Office of the United States Attorney
for the Eastern District of Arkansas
United States Department of Justice

HEWLETT-PACKARD COMPANY

DATED: BY: ____________________ JS

John F. Schultz

Vice President and Deputy General Counsel, Litigation

DATED: 8/30/10 BY: ____________________

Barbara Van Gelder

Lisa C. Dykstra

Morgan Lewis & Bockius

Counsel for Hewlett-Packard Company

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF ARKANSAS
WESTERN DIVISION

UNITED STATES OF AMERICA)
ex rel. NORMAN RILLE AND NEAL)
ROBERTS)
Plaintiff)
v.) Civil Action 4:04CV00989-WRW
)
HEWLETT-PACKARD COMPANY,)
a Delaware Corporation)
Defendant)
)
)

ORDER

Pursuant to Fed. R. Civ. P. 41 and the False Claims Act, 31 U.S.C. § 3730(b)(1), the United States, and the defendant, Hewlett-Packard, Inc. (hereinafter "the defendant") have stipulated to the dismissal of the above-captioned action.

The defendant and the United States have reached an agreement to settle this litigation. The United States and the defendant agree that each will bear its own costs, expenses and attorneys' fees. The relators, Norman Rille and Neal Roberts, and the defendant have not yet reached agreement as to payment of attorneys fees and costs, if any, pursuant to 31 U.S.C. § 3730(d). The United States and the relator have not yet reached agreement as to the relators' share of the proceeds of the settlement of this case pursuant to 31 U.S.C. § 3730(d). Accordingly, in light of the Settlement Agreement, the Court rules as follows:

IT IS ORDERED that the case is DISMISSED with prejudice as to the relators and with prejudice as to the United States to the extent of the "Covered Conduct" in the Settlement Agreement between the United States and Hewlett-Packard and otherwise without prejudice as to the United States. The Court retains jurisdiction over this matter to enforce the terms of the Settlement Agreement. The Court also retains jurisdiction of this matter for purposes of determining appropriate attorneys fees and costs, if any, to be paid to the relators by defendant pursuant to 31 U.S.C. § 3730(d), and for purposes of determining an appropriate relator's share of the proceeds of the settlement of this case pursuant to 31 U.S.C. § 3730(d). The United States and defendant each will bear its own costs, expenses, and attorneys' fees.

IT IS SO ORDERED this 31st day of August, 2010.

/s/Wm. R. Wilson, Jr.
UNITED STATES DISTRICT JUDGE